

Message Text

CONFIDENTIAL

PAGE 01 BEIRUT 03109 301458Z
ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 SP-02 L-03 CIAE-00
INR-07 NSAE-00 OMB-01 TRSE-00 AID-05 IGA-02 /042 W
-----009120 301625Z /41

R 301415Z JUN 77
FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 4431

CONFIDENTIAL BEIRUT 3109

DEPT ALSO PASS AID AND EXIMBANK

E.O. 11652: GDS
TAGS: ECON ECRE EFIN OTRA LE
SUBJ: EXIMBANK VISITORS MEET WITH FINANCE MINISTER FARID
RAPHAEL

REF: BEIRUT 3018

1. ON JUNE 27 VISITING EXIMBANK OFFICIALS MORAN, HAMMOND, AND DONEGAN MET WITH FINANCE MINISTER FARID RAPHAEL, WHO OFFERED FOLLOWING COMMENTS.

2. THERE HAS BEEN INCREASE OF LL ONE BILLION IN DEPOSITS SINCE REOPENING OF COMMERCIAL BANKS IN LEBANON ON JAN 17, 1977. THIS "EXCESSIVE LIQUIDITY" RESULTS FROM BUSINESS "STAGNATION."

3. "STAGNATION," IN TURN, RESULTS IN PART FROM CONTINUING DEMANDS OF SOME BUSINESSMEN THAT GOL DECLARE A MORATORIUM ON THEIR DEBTS TO COMMERCIAL BANKS. BUT GOVERNMENT WILL NOT ACQUIESCE TO SUCH DEMANDS; IT WILL CONTINUE TO INSIST THAT PEOPLE HONOR THEIR OBLIGATIONS, AND THAT BANKS AND CLIENTS WORK OUT THEIR PROBLEMS TOGETHER. THERE IS SPECIAL LAW ON BOOKS, HOWEVER, PROVIDING FOR JUDICIALLY REGULATED RESCHEDULING AGREEMENTS ("CONCORDATS PREVENTIFS").

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4. RAPHAEL ALSO SAID CENTRAL BANK HAS AGREED TO EXTEND SPECIAL LINES OF CREDIT TO COMMERCIAL BANKS WHO WOULD IN TURN RE-LEND MONEY TO DAMAGED OR DESTROYED BUSINESSES FOR REPAIR OR RECONSTRUCTION. MAXIMUM INTEREST WOULD BE FIVE PERCENT, AND MAXIMUM REPAYMENT PERIOD FIVE YEARS. FEW CLIENTS HAVE ASKED FOR THIS FACILITY, HOWEVER, BECAUSE THEY HAVE FOUND SECURITY

REQUIREMENTS TOO HIGH.
PARKER

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, ECONOMIC CONDITIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jun-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: BEIRUT
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t1977065/aaaaadmo.tel
Line Count: 64
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f1c87c7b-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Reference: 77 BEIRUT 3018
Retention: 0
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TAGS: ECON, ECRE, EFIN, OTRA, LE, (RAPHAEL, FARID)
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